

Understanding China's Fourth Generation: The Impact of Leadership on China's

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Thesis: China's status in the international community is a question being addressed by many political and economic theorists around the world. Viewed by many as a potential belligerent adversary and by others as a future economic ally, the current Chinese leadership is trying to weigh its options in its dealings abroad. This paper examines the factors that have allowed the communist government to stay in power and the possibility for more fundamental reforms in the future. Specifically, it analyzes the historical impact of the Chinese leadership, the changes expected with the Chinese Communist Party election of Hu Jintao as president, and the effects of his policies on the ongoing economic and political reforms in China.

Discussion: The current leadership of the Chinese Communist Party is the most important factor in determining the future of the country. These leaders recognize the need to reform because they see that reform is the only way to increase China's influence in the international community. They are also well aware of the precarious state of the CCP, as reform creates a fundamental incompatibility between communist doctrine and economic growth. Increased democratic participation will not likely occur until the government is confident the groundwork has been laid that will ensure their survival during political reform.

China is no longer "communist" in the traditional Cold War sense. Communism, as an ideology, has run its course in political history. China recognized this trend early on and its leaders have worked very hard to correct the mistakes of the past. Today, China has modernized and reformed to the point that it is fast approaching great power status. Politically, there are areas that China needs to address, including corruption, rule of law, and human rights, and it appears that China's new leadership is trying to address those issues in its own way. Economically, China has embraced its opportunity to mobilize its industrial base and is well on its way to developing a strong capitalist economy.

The Chinese leadership has proved its staying power is far greater than most powerful regimes before it. The international community needs to engage this leadership, improve relations and ultimately prevent it from turning inward or aggressive. The United States should not fear China's economic success or its ascension to great power status, but instead it should look to China as an ally that can help stabilize a troubled region and encourage cooperation between historically adversarial countries.

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Conclusion: China is not a strategic threat to its neighbors, but it is also not content with its current security position in Asia. Risking an international confrontation would impede China's goals for economic modernization and increase regional instability. Prospects for conflict grow more significant as the Chinese economy demands more scarce resources from foreign markets. It is vital that communications between China and its competitors remain free and open so that disagreements can be handled in a fair and benign manner.

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Preface

The issue of China's status in the world today has sparked much controversy in discussions over political science, economics and military studies. Understanding the unique culture and history of this great nation is vital to developing an informed opinion on the current situation surrounding China and its role in the international community. It is important that researchers interested in this subject examine the communist history of the nation, including its relationship with the Soviet Union. I have attempted to dissect the history of China's communist leadership in order to develop a framework for understanding the decisions made by current president Hu Jintao. As a result, this paper is intended to assist in interpreting the puzzling intentions of this holdout communist regime.

This paper was influenced by and improved with the input of my mentor's, Dr. Charles D. McKenna and BGen Thomas Conant. I am grateful to them for taking the time to read my writing.

Understanding China's Leaders

The superiority of the socialist system is demonstrated, in the final analysis, by faster and greater development of those forces than under the capitalist system. As they develop, the people's material and cultural life will constantly improve. Socialism means eliminating poverty. Pauperism is not socialism, still less communism.¹

—Deng Xiaoping

INTRODUCTION

China's status in the international community is a popular question being addressed by many political and economic theorists around the world. Viewed by many as a potential belligerent adversary and by others as a future economic ally, the current Chinese leadership is trying to weigh its options in its dealings abroad. International and internal pressures to democratize continue to be resisted by the Chinese Communist Party (CCP) leadership. However, capitalist economic reforms are well underway and helping to improve the general well-being of the Chinese citizens. The fundamental question raised as a result of this seeming inconsistency is how long will the communist government in China survive? This paper will examine the factors that have allowed the communist government to stay in power and the possibility for more fundamental reforms in the future. Specifically, it will analyze the historical impact of the Chinese leadership, the changes expected with the CCP election of Hu Jintao as president, and the effects of his policies on the ongoing economic and political reforms in China as well as his relations with the Chinese military.

The leadership factor during China's communist history has dominated the landscape of its political, economic, social and cultural development. As is true in all

¹ Excerpt from Deng Xiaoping's address to the second session of the Council of Sino-Japanese Non-Governmental Persons June 30, 1984. <http://www.china.org.cn/english/features/dengxiaoping/103371.htm>.

totalitarian dictatorships, the control of the nation rests in the very few leaders at the top. From this position, the leadership will control all aspects of society and determine the path the country will take. Understanding the personalities that have occupied this position in China is key to understanding the future of the nation. Mao Zedong was the predominant revolutionary who initiated and disseminated China's communist influence in the world. However, China's next three leaders have focused more inward to impart a strong sense of Chinese nationalism in society. As Richard Nixon stated in his book, *The Real War*,

China's present leaders are statesman with a keen sense of the world who think in global terms. They are also communists. They are also Chinese. Since Mao's death they have seemed to grow less communist and more Chinese, less the prisoners of ideology and more pragmatic, less revolutionary and more traditional.²

The role China's new leader, Hu Jintao, and his successors will play should be the focus of any outside inquiries into China's current position in the world as well as its future.

IMPACT OF THE COMMUNIST REVOLUTION IN CHINA

China commanded the world's attention in the post-World War II era when it joined the Soviet Union in the international communist community. This period of history saw nations struggling to recover from a decade of war and trying to understand the impact of nuclear era. It was a time when balance of power politics dominated the nation-state system and countries identified their stature based on the strength of their militaries or the strength of their allies. China immediately became an enemy of the United States when the communist People's Republic of China was founded in 1950. China, together with the Soviet Union, represented a form of government that was anathema to the moral individualists of the Western democracies. Both the Soviet Union

² Richard Nixon, *The Real War*, (New York: Simon and Schuster, 1980) 127.

and the United States prepared to go to war. Fortunately, events proceeded in ways that never brought about direct conflict between the two. Instead, the Soviet Union along with many of its satellite states, dissolved with minimal conflict.

China somehow survived this momentous period in history, maintaining its political structure and ideological beliefs. Its ability to do so has defied the informed predictions of hundreds of political and economic theorists. While the Chinese communists struggled to hold onto power, the world changed from a bi-polar construct based on brute force, to an economically focused, interdependent system. The ability of the communist dictatorship to stay in power and overcome the logic of economic liberalization in a socialist country has led to the creation of a powerful and dynamic nation, poised to dominate the world's economy in the next few decades. Today, as relationships between states are discussed in the terms of a race or competition, experts contend that "few have run it as well as China."³

Does this mean that China is no longer the same threat it was during the Cold War? Possibly, but a correct prediction of China's intentions (militarily, economically and politically) is not easily obtained. As Robert Sutter contends, "U.S. assessments of China's global role have tended toward exaggerations and extremes, collectively resulting in a steady pendulum swing in perceptions of China as friend or foe that neglects careful analysis of China's various attributes and weaknesses." In most cases, these attributes and weaknesses are derived directly from the characteristics of the leader in power. Today there is a very different leadership in Beijing and this leadership is seeking to find a new "grand strategy", as Ashley Tellis explains, "one that would allow

³ Jonathan D. Spence, "The Once and Future China," *Foreign Policy*, January/February 2005, 44.

it to continue its economic growth, technological modernization, and military buildup without provoking other countries into a costly rivalry.”⁴

The political leadership in China recognizes the need to reform because they see that reform is the only way to increase China’s influence in the international community. They are also well aware of the precarious state of the CCP, as reform creates a “fundamental incompatibility” between communist doctrine and economic growth.⁵ However, until they feel confident about the durability of their political system they are unlikely to expand democratic participation.⁶ To understand this challenge better, it is important to examine the history of the Chinese communist leadership.

COMMUNIST CHINA’S LEADERSHIP HISTORY

To most, the history of communist China seems strongly linked to, possibly even dependent on, that of the Soviet Union. Due to both countries’ adherence to a common ideology, Americans routinely identify the Soviet Union and China as one in the same, specifically, “the enemy” during the Cold War. Actual history, however, reveals a very different reality. Initially Mao desperately needed the assistance of the Soviet Union to solidify his control over the vast country, but he never trusted the Soviet leadership nor passively gave in to their demands.⁷ Understanding the complex relationship between the two nations is important to understanding why China did not suffer the same fate as the Soviets and ultimately the reasons why the Soviet Union disappeared and the Chinese Communist Party remains in power.

⁴ Ashley J. Tellis, “A Grand Chessboard,” *Foreign Policy*, January/February, 2005, 52.

⁵ Naill Ferguson, “A World Without Power” *Foreign Policy*, July/Aug2004, 34.

⁶ Pei, “Is China Democratizing?” *Foreign Affairs*, January/February 1998, 82.

⁷ Odd Arne Westad, *Decisive Encounters: The Chinese Civil War* (Stanford CA: Stanford University Press, 2003) 311-317.

Mao and the Revolution

*There is something of a sorcerer in him. He is a man inhabited by a vision, possessed by it.*⁸

China formally became a member of the communist community of nations after Mao's armies successfully defeated the United States backed nationalist military forces in 1950, marking the end of a two decade long civil war. Up to this point, Chinese civil society had been in a constant state of war for nearly fifty years. Warlordism, Japanese occupation, and Civil War had consumed the energy of the populace and made them desperate for strong leadership and a central authority that could bring peace and order.⁹ The victorious communist leadership embarked on an ambitious plan to establish a "tripod" of power that included the party, the government, and the army.¹⁰

Similar to Leninist theory, an emphasis was placed on industrialization fueled by the peasantry. During the Civil War, Mao learned of the productive potential of rural China when he mobilized millions of peasants for his armies during his campaigns across the North and Central part of the country. This knowledge, together with advice from the Soviet's economic planning and collectivization model, Mao tapped the resources of the countryside to fuel his quest for a modern and industrial China.¹¹ Through a rapid agricultural collectivization program and the re-opening of railroads, Mao was able to re-allocate important industrialization elements, such as food, iron, coal, and cotton from the countryside to the coastal cities, where state control over the elements of production was

⁸ Nixon, 133.

⁹ John King Fairbanks. *The United States and China* (Cambridge MA: Harvard University Press, 1983) 359.

¹⁰ Fairbanks, 362.

¹¹ Andrew J. Nathan and Robert S. Ross. *The Great Wall and the Empty Fortress: China's Search for Security* (New York: W.W. Norton and Company, 1997), 37.

increasing.¹² Throughout this process, Mao consulted the Soviet model, seeking to mirror the success of Stalin's rapid industrialization. The Soviet Union contributed significantly during this period with substantial economic assistance and extensive technology transfers.

The Sino-Soviet Split

This mentor/protégé relationship rapidly deteriorated following Stalin's death in 1953. By this time, the CCP had strengthened its control over the urban industrial economy and its land reform initiatives were nearly complete.¹³ Despite these initial successes, the Communist Party began to encounter problems in implementing the Soviet economic model. Bottlenecks began to emerge in important sectors of Chinese industry. Raw materials from the countryside were not being transferred quickly enough and state revenues, primarily from grain sales, were disappointing.¹⁴ In an effort to combat these obstacles, Mao implemented a series of drastic agricultural and industrial reforms in his second five-year economic plan, termed the Great Leap Forward. This aggressive policy of forced modernization ended in disaster, resulting in estimated 20 million deaths from starvation and disease. As a result, Mao resigned as head of People's Republic of China, but retained his role as Party Chairman.

By 1960, the differences between the Soviet Union and China were glaring. Mao did not approve of the Soviet Union's new leader, Nikita Khrushchev, questioning his standing as a Marxist-Leninist, and coined the term "social imperialism" to describe his form of foreign policy. In retaliation, the Soviet Union withdrew economic and military aid from China. The relationship between the two communist nations further deteriorated

¹² Fairbanks, 372.

¹³ Fairbanks, 383.

¹⁴ Ross, 42.

as the Soviet Union sided with India during the Sino-Indian War in 1962.¹⁵ Questioning the Soviet Union's loyalty to the Communist International movement, China began to export its revolutionary ideas to underdeveloped countries in Asia and Africa. At the same time, Mao developed a paranoia, similar to that of Stalin's in the 1940's, and began to grow suspect of purity of communism within his own country. As a result, he launched one of the most disastrous internal purges in history, which resulted in "the investigation and intimidation of millions, the torture of hundreds of thousands and the deaths of at least tens of thousands."¹⁶

The Cultural Revolution and Aftermath

The Cultural Revolution lasted less than one year, but fundamentally transformed the future of communism in China. Criticism of Mao gained momentum following the Great Leap Forward. Initially, the criticism was kept quiet within the party, but by 1965 outspoken party members vocalized their dissent. Mao reacted to this criticism with a purge of the communist party. But unlike Stalin's purges, which were confined to the internal political party organization, Mao lashed out at his entire civil population. John King Fairbanks describes his campaign as a guerrilla operation, which "followed a rhythm of attack and pause, destruction and consolidation."¹⁷ In addition to the participation of the People's Liberation Army (PLA), Mao recruited millions of Chinese youth to join the Red Guard to harass party elites and the educated upper class. Universities were closed throughout the country, only to be reopened to students deemed

¹⁵ Ross, 43.

¹⁶ Andrew G. Walder, *Anatomy of an Inquisition: Cleansing the Class Ranks, 1968-71*, <http://www.aasianst.org/absts/1997abst/china/c70.htm>

¹⁷ Fairbanks, 436.

“politically correct.”¹⁸ This “political revivalism,” however, was not enough to solve the problems in the Chinese society and economy. Millions of unemployed workers as well as urban party cadres were exiled to the countryside in order to reduce the economic strain on the cities that resulted from this political upheaval.¹⁹

The Cultural Revolution ended in 1969, but the effects remained until Mao’s death in 1976. Although the CCP eventually took back many of its denounced members after they were rehabilitated, factions divided the party and created a policy problem that has plagued China into the present day. John King Fairbanks describes this problem as a constant choice that policy makers make between “investing in the power of the state and investing in the welfare of the Chinese masses.”²⁰ A new leader emerged from the chaos of the Cultural Revolution, ready to right the wrongs of the previous leadership and set a new path for the People's Republic of China. Regardless of the fact that Deng Xiaoping was one of the main party members targeted by Mao as a “capitalist roader,” he was able to re-establish his position in the CCP and take control of the Communist party leadership following Mao’s death. His first challenge would be to re-legitimize the rule of the party over the people. Deng did this by publicly admonishing the Cultural Revolution, stating that Mao's principles did not conform to Marxism-Leninism and Chinese reality and, instead, were “entirely erroneous.”²¹ This declaration allowed Deng to move out of the shadow of Mao’s political idealism and embark on a path to bring China into the modern world, primarily through economic reform.

¹⁸ John Bryan Starr. *Understanding China: A Guide to China’s Economy, History, and Political Structure* (New York: Hill and Wang, 1997) 222.

¹⁹ Fairbanks, 439

²⁰ Fairbanks, 444.

²¹ Fairbanks, 482.

Market Reforms: Bringing China into the Modern World

In 1978, Deng allowed the emergence of a series of market based agricultural and service policies. Deng acknowledged that the continued reliance on Maoist economics of egalitarianism was stagnating Chinese potential. Instead he wanted to reallocate resources to the areas that would benefit the most, specifically the coastal areas, which could utilize the labor surplus and also had access to foreign markets.²² To do this, he called for the protection of private production and retail trade in the countryside, which began a process of de-collectivization.²³ Although only the countryside was targeted for reforms at the outset, it did not take long for privatization principles to become urban. Millions of displaced workers were returning to the cities in the aftermath of the Cultural Revolution. In order to absorb an estimated 20 million unemployed urban Chinese, in 1979 Deng officially recognized the urban private sector as a “key component of the government’s employment process.”²⁴

Eventually, these reforms gained momentum and a gradual hand-over of responsibilities from the state sector to the private sector began, starting with private household production and eventually leading to larger industrial production.²⁵ These reforms delivered strong economic growth and prosperity to the country. China was able to double its per capita income in 9 years (compared to 47 years in the United States) and quadruple it in 18 years.²⁶ Politically, this dramatic turn around helped Deng to consolidate power as well as soften the criticism of market based policies coming from

²² Starr, 40.

²³ Minxin Pei, *From Reform to Revolution: The Demise of Communism in China and the Soviet Union* (Cambridge, MA: Harvard University Press, 1994) 95.

²⁴ Pei, *From Reform to Revolution: The Demise of Communism in China and the Soviet Union*, 97.

²⁵ Starr, *Understanding China*, 91.

²⁶ Minxin Pei, “Is China Democratizing?” 74.

the more orthodox party members within the CCP. Deng was successful in establishing the framework for a new economic system in China, a feat that many other communist leaders tried and failed. Not only was Deng's framework strong, his subsequent policies allowed for the successful transformation from an agrarian economy to a strong industrial nation while resisting the political transformations that forced the collapse of his fellow communist countries. Understanding why China was successful and other countries were not is important in understanding the staying-power of the Communist Party in China today.

WHAT THE SOVIETS DID WRONG

Deng was not alone in his initiation of market-based reforms in a communist country. At the same time, a movement was afoot across Eastern Europe and the Soviet Union to reverse the mistakes of the past and try to improve the economies and social welfare of the Communist bloc. Mikhail Gorbachev noted in his 1987 book, *Perestroika*, that “by the beginning of the eighties, [the Soviet income growth rates] had fallen to a level close to economic stagnation.”²⁷ In the period between 1979 and 1991, experiments in economic and political reform throughout the Soviet bloc nations resulted in the dissolution of the Soviet Union and the disappearance of communist systems in Europe. Hundreds of books have been published regarding this occurrence, and many of them address the seeming inconsistency of how the Chinese Communist Party survived this whirlwind of events, while these other countries collapsed and then re-emerged as capitalist democracies. Although there are many theories as to why communism survived in China and not in the Soviet Union, the main difference seems to reside in the way the

²⁷ Archie Brown. *The Gorbachev Factor* (Oxford: Oxford University Press, 1997) 134.

countries' leadership sought to initiate reforms and its ability to exercise control over the pace, scope and direction of those reforms.

The situation facing the Soviet leadership at the beginning of the 1980's was far more complex than that facing the Chinese communists. The success of Soviet reform was inextricably linked to the success of the countries under its influence. The Eastern European countries were too close to the West to ignore the disparities between themselves and their capitalist neighbors. Economic troubles increased throughout the Soviet bloc and began to drain resources from the equally struggling economy of the Soviet Union. By 1985, it became far more beneficial to develop economic relations with Western countries than to maintain its economic and political influence in Eastern Europe. As a result, the Soviet leadership quickly realized that "as the geostrategic importance of Eastern Europe declined, the main reason [they] came to fear the fall of communist regimes was that their demise might destabilize communism at home."²⁸

The Chinese communists, on the other hand, were sheltered from these external pressures to some extent. Separated by distance and culture, Chinese communists were able to affect reforms in their own manner without being constantly inundated with foreign influences. One key to their success was the continued state control over the freedom of speech and the press. Unlike the Soviet Union, which implemented a policy of glasnost (opening), the CCP continued to restrict the flow of information to its public. Although the Chinese citizens were aware of their own economic situation, most were not aware of the popular uprisings against communism occurring elsewhere in the world. This allowed the CCP leadership to keep a tight grip on its political power and, at the

²⁸ Jerry F. Hough. *Democratization and Revolution in the USSR, 1985-1991*, (Washington D.C.: Brookings Institution Press, 1997), 196.

same time, remain in control over economic reforms. Gorbachev, on the other hand, became a victim of his own policies. As Archie Brown writes, Gorbachev became aware that “the movement from glasnost to freedom of speech and the broadening of the meaning of ‘democratization’ were double-edged swords...for they lead to a polarization of Soviet politics which in some ways made economic reform more difficult.”²⁹

Stubborn Survival?

The main difference between these two situations was the manner in which reforms were initiated. In the case of China, Deng sought to improve the economy by slowly allowing market forces to enter his economy without directly becoming involved in their creation. This bottom-up approach allowed Deng to maintain the legitimacy of his political ideology, while the economy prospered and Chinese citizens gradually saw an improvement in their living situation. Gorbachev, on the other hand, began in the political arena and pushed his reforms from the top-down, hoping that his radical policies, such as open elections and price liberalization would create a “seamless” transition to a Western-style democracy.³⁰ Minxin Pei summarizes this leadership decision in his analysis of communist regime transition. He states, “A reformer’s ability to manage change is likely to decrease more precipitously when the initial opening is created in the political process than when it originates in the economy.” Additionally, a leader cannot manage change within his country, without being able to build and maintain support.³¹

It is evident that Gorbachev quickly lost control over the reform process and opposition forces began to work against him. As a result, Gorbachev eventually lost the

²⁹ Brown, 137.

³⁰ Hough, 103.

³¹ Pei, *From Reform to Revolution*, 205.

confidence of his party and finally lost his job. Meanwhile, Deng allowed an economic transition to occur without direct participation by the government (although when it became publicly apparent, Deng did not hesitate to embrace and defend the reforms).³² Throughout the rest of Deng's tenure in office, he continued to support economic reforms, while keeping strict control over society and repressing any societal movements for political reform or democratization. His intention to resist political change became clear to the world in 1989 when he used military force to break up a student protest in Tiananmen Square.

Much to the dismay of anti-communist Cold Warriors, Deng will be remembered as one of the skillful reformers of the late 20th Century (along with South Korea's Chong Hee and Singapore's Lee Kuan Yew).³³ Shortly after Tiananmen, Deng acknowledged that his health was failing and he identified his successors and tried to pass on his principles of cautious economic reforms. Much to his dismay, none of his trusted appointees seemed to possess the same "special combination of qualities."³⁴ Jiang Zemin assumed the top position in 1993 and tried to continue Deng's policies of reform. However, on July 1, 2001, Jiang made a stunning proposal to the CCP, publicly recommending that private entrepreneurs be allowed to join the party.³⁵ Since Jiang had not discussed this proposal with the other members of the party, this move was a radical departure from normal party protocol and violated the historically strict CCP party discipline. Jiang's fellow party members publicly admonished his proposal, and this event left China watchers around the world to wonder who was in control of China and

³² Pei, *From Reform to Revolution*, 209.

³³ Pei, *From Reform to Revolution*, 209.

³⁴ Starr, 306.

³⁵ Bruce J. Dickson. *Red Capitalists in China* (Cambridge, U.K.: Cambridge University Press, 2004) 1.

whether or not the party could continue to maintain its central position in China for much longer. Now, with the ascension of yet a fourth Chinese president, Hu Jintao, how will China's future be affected?

FOUR GENERATIONS OF LEADERSHIP

There are two very distinguishable and unique eras in Chinese communist leadership history, the revolutionary generations of Mao and Deng, and the successor generations of Jiang and Hu Jintao. Joseph Fewsmith describes Mao and Deng's generation as having "extraordinary self-confidence derived from years of political activity across a full spectrum of issues and from the widely accepted belief that victory in the revolution legitimized their rule." Conversely, he describes the current generation's leaders as those that struggled for ascension through the bureaucracy using consensus building and succeeded "by not offending the people."³⁶ Understanding the differences between these two generations has significant relevance in understanding the future of the Chinese communist party.

Mao and Deng—The Revolutionary Generations

A lot of emphasis is placed on the legacy of Mao and Deng in current political study of the Chinese system. Mao is seen as the great revolutionary who defeated the highly trained and United States backed Nationalist government and was able to expand this "evil empire" into Asia. Throughout his reign, Mao used harsh tactics on his people to consolidate his control in an effort to make China into a worker's utopia. Events like the Great Leap Forward and the Cultural Revolution stand out to Americans not only as great human tragedies brought on by the foolish policies of a Communist government, but also as a natural by-product of the substantively flawed communist ideology. Deng

³⁶ Joseph Fewsmith, "Generational Transition in China" *The Washington Quarterly*, Autumn 2002, 23.

furthered the negative view of communism in his overt repression of the student protests in Tiananmen Square, an event that may have seemed less significant if the problems in Eastern Europe and the Soviet Union hadn't convinced many that the end of communism was near. The event may have single-handedly destroyed hopes of the remaining Western optimists that a communist government could reform peacefully.³⁷

These two leaders projected a reputation as heavy-handed and ruthlessly committed to ensuring the survival of the communist regime at any price. To the outside world, China was a backward country that would eventually collapse like the Soviet Union or become a belligerent country and the source of conflict for capitalist-democracies around the world. All the while, what the world ignored were the dramatic internal changes that were occurring in the Chinese economy and civil structure. Deng was not just another figurehead at the top of a political system destined for failure. He was able to quietly implement structural changes into the Chinese economy that fundamentally transformed the landscape of the Chinese economy. However, it has been difficult for many Western political theorists to throw off historical prejudices concerning communist regimes and realize the significant differences between the China of today and the China of the Cultural Revolution.³⁸

Today's Leaders—Breaking the Mold

The successor generation is fundamentally different from its predecessors. First, these leaders do not possess the Marxist-Leninist fervor of the revolutionary generation. Instead, the leadership of Jiang and Hu show a strong tendency for technical solutions to

³⁷ Robert Sutter, "Why Does China Matter?" *The Washington Quarterly*, Winter 2003-2004, 75.

³⁸ For further discussion on this topic, see Joseph Grieco article in *The Rise of China in Asia: Security Implications* (Carlisle: Strategic Studies Institute, Jan 2002) and John J. Mearsheimer's article, "Better to Be Godzilla than Bambi" *Foreign Policy*, Jan/Feb 2005.

problems over strict adherence to a political theory. The common term used in political study to describe this type of leader is “technocrat.” These technocrats are graduates of prestigious technical universities where they learned to become “both red and expert.”³⁹ The revolutionary generations, on the other hand, were more loyal to the party and better at mass mobilization.⁴⁰ In addition, the new generation came to power in a different manner, not by their involvement in the revolution but by maneuvering through the thick communist bureaucracy, remaining dedicated to continuing the reforms initiated by Deng yet avoiding making enemies with the more orthodox communist party members.⁴¹ Quietly, the leaders of this generation began to make more significant steps towards economic reform, such as Jiang’s decision to open up party membership to new entrepreneurs within the party.⁴² Additionally, this generation is trying to reverse one of the negative effects of Deng’s economic reform policies; curbing the corruption that emerged from trying to win over his opponents by allowing them to benefit (i.e., make money) from the new economic system.⁴³

The most fundamental difference between the leadership of the revolutionaries and today’s politicians is a factor of time. Hu is the first leader of Communist China to have no significant memory of the Chinese Civil War. As a result, Hu’s generation has virtually no knowledge of pre-communist China or Western styles of economy and leadership. More importantly, Hu completed his formal education just before the beginning of the Cultural Revolution, and was forced to put his career on hold for more

³⁹ Fewsmith, “Generational Transition in China” 24.

⁴⁰ Dickson, 31.

⁴¹ Fewsmith, “Generational Transition in China” 23.

⁴² Charles Wolf Jr., “Capitalism, Chinese Style,” *The International Economy*, Winter 2002, 49.

⁴³ John F. Copper, “Economic Future in the West: Continued Economic Boom in China or a Bust About to Happen?” *Vital Speeches of the Day*, Oct 2002, 779.

than a decade during the aftermath of Mao's political cleansing. As a result, "Hu and his generation...found their early faith in Mao and socialist China smashed by having their careers cast aside and watching the country destroy itself in a paroxysm of violence."⁴⁴

As a result of his unfortunate timing, Hu's early career was spent living and working in the most rural and desolate regions of China, first in Gansu province and then in Guizhou province. In 1988, Hu was appointed the first Party secretary of Tibet and arrived there shortly after riots and large-scale demonstrations rocked the province. Hu immediately imposed martial law to restore order in the province, was praised by Deng Xiaoping for protecting the interests of the party and was elevated to Politburo Standing Committee.⁴⁵

Regardless of the effect on Hu's rise to power, what cannot be overlooked from his early career is the extensive amount of exposure Hu received in rural China and the effect that had on his level of awareness regarding the welfare disparities within his country. The differences in Hu's presidency will become evident as time passes, but what is certain is that he has inherited a fundamentally different China from that of the revolutionary generation and his unique experiences (unique compared to any previous leader) are sure to influence his decisions and impact the future of the Chinese state.

IMPACTS OF CHINA'S FOURTH GENERATION

Three important areas must be evaluated in contemporary China in order to understand and predict the future of the country, the economy, society, and military. The area that receives the most scrutiny is the Chinese economy and its ability to continue on

⁴⁴ Fewsmith, "Generational Transition in China," 23

⁴⁵ Willy Wo-lap Lam, "Who is Hu Jintao?" CNN.com Thursday, 7 Nov, 2002. The Politburo Standing Committee is a 7-member party committee, known to be the "inner sanctum of communist political power." Joseph Fewsmith, "Chinese Politics Under Hu Jintao: Riding the Tiger of Politics and Public Health," *Problems of Post-Communism*, Sept/Oct 2003, 15.

its path towards liberalization. Additionally, societal changes have occurred in China both independently and as a bi-product of the economic situation. These changes will force the current leadership to constantly evaluate their policies or risk domestic instability. The manner in which the leadership handles these pressures will determine their viability in this dynamic political situation. Finally, the leadership relationship with the military will have a significant impact both internally and in China's relationships with foreign countries. The question whether China will be the "next big threat" may depend on Hu's ability to consolidate his power within the party, since only a few months ago Jiang Zemin finally relinquished his position as chairman of the Chinese Military Commission.

The Booming Chinese Economy

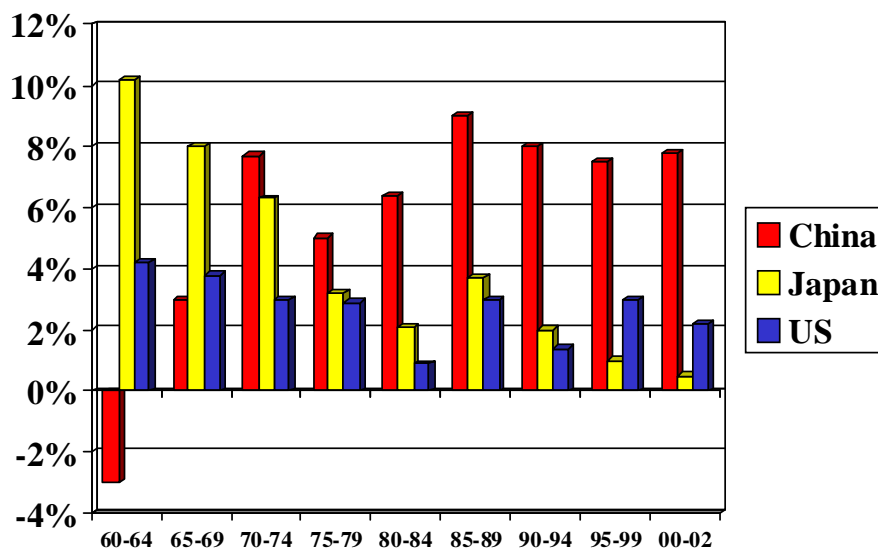
Much attention has been given over the past few years to the growth rate of the Chinese economy as well as China's entry into the World Trade Organization. Awe-inspiring statistics suggest that China is now far removed from the backward third-world country it once was. Instead a strong and dynamic country has risen that, many experts believe, may challenge the supremacy of the United States in the world economy. However, these statistics do not tell the whole story of the Chinese economic situation. Millions of rural Chinese are impoverished, millions more urban Chinese are unemployed and corruption and inefficient use of state investments may challenge China's prospects for future growth. As economist Martin Wolf explains, "Do not think China's rapid growth is either extraordinary or a flash in the pan. It is neither."⁴⁶ China's economic growth, though impressive, has created significant issues for the leadership and many believe the easy part of reform is over. Deng began his reforms in the areas of least

⁴⁶ Martin Wolf, "Why is China Growing So Slowly?" *Foreign Policy*, January/February 2005, 51.

resistance and those that would bring a maximum impact to the most people.⁴⁷ Now it is time to tackle the rest of the country. The manner in which the government deals with these issues will, in a large part, determine China's future as a world economic power.

To better understand the complexities of the Chinese economy, it is important to first examine the raw statistics on the economic strength of China. Between 1978, when Deng introduced the first economic reforms, and 2003, China's per capita GDP grew at a compound rate of 6.1 percent a year, resulting in a total growth of 337

China's Rapid Economic Growth



Source: The World Development Indicators Database

percent to the present day.⁴⁸ In relative terms, the Chinese economy is expected “to be double the size of Germany's by 2010 and overtake” Japan's economy by 2020.⁴⁹ By 2002, private assets had exceeded state owned assets by more than \$1.2B, and foreign

⁴⁷ Tony Saich, "China's New Leadership: The Challenges to the Politics of Muddling Through," *Current History*, September 2002, 250.

⁴⁸ Wolf, *Foreign Policy*, 50.

⁴⁹ James F. Hoge, “A Global Power Shift in the Making”, *Foreign Affairs*, July/August 2004, 3.

investment emerged from nearly zero in 1978 to over \$400B.⁵⁰ China's ability to perform in this manner is a result of its possession "of a hardworking, cheap labor force; the ability to transfer huge numbers of workers from low-productivity agriculture to high productivity manufacturing; political stability; and an effective, development-oriented government."⁵¹ One province has exemplified the new Chinese economic growth model. Zhejiang, immediately south of Shanghai, increased its GDP by over 10 percent in the late 1990's. This dramatic growth is attributed to the increasing number of privately owned enterprises compared to the State Owned Enterprises (SOE's). Zhejiang was the first province in China where private industrial output surpassed that of the state.⁵²

As a result of the successful reforms and economic prosperity, China was allowed entry into the World Trade Organization in 2001. Even though China has still not fulfilled many of its entrance commitments, its acceptance into the WTO gave China's economy legitimacy on the world stage and increased the confidence of the Chinese leadership and people.⁵³ The West has directly benefited from Chinese productivity. There is increasing demand for American and European goods in China and U.S. companies are learning how to operate in this new, population rich environment. McDonald's, General Motors and Motorola have all made significant investments in China.⁵⁴ In addition, the Chinese have become experts in producing textile and

⁵⁰ Elizabeth Economy, "Don't Break the Engagement" *Foreign Affairs*, May/June 2004, 96-97. "American Firms Rushing to Build in China", *USA Today Magazine*, Aug 2003.

⁵¹ Wolf, *Foreign Policy*, 51.

⁵² Yingyi Qian and Jinglian Wu "China's Transition to a Market Economy," *How Far Across the River?: Chinese Policy Reform at the Millenium*, Nicholas C. Hope, Dennis Tao Yang and Mu Yang Li eds. (Stanford CA: Stanford University Press, 2003) 56.

⁵³ China has not yet given free trading rights to all of its foreign investors and is slow in allowing foreign companies to sell retail items. Julie Walton, "WTO: China Enters Year Three", *The China Business Review*, January/February 2004, 11.

⁵⁴ "American Firms Rushing to Build in China," *USA Today Magazine*, Aug 2003.

inexpensive low-technology electronic goods.⁵⁵ This has allowed them to be one of the biggest exporters in the world.

As a result of this explosive growth however, China is also undergoing significant challenges. There are high rates of migration from the countryside to the cities, creating housing shortages and high unemployment and increasing the demand for resources, such as oil, water, electricity and steel. Investment in education, public health and the rural areas is lacking. Today, China spends about one third less than India on education despite the fact its per capita income is 50 percent greater. Less than 10 percent of rural Chinese have access to health insurance and the income distribution between the coastal cities and interior rural areas is markedly unbalanced, earning China the distinction as “the most unequal society in Asia.”⁵⁶

Corruption has infected the government bureaucracy and has passed unemployment as the “most serious cause of social instability.”⁵⁷ Minxin Pei, director of the China Program at the Carnegie Endowment for International Peace, suggests that China’s economic growth is unsustainable in the current political environment and is, in fact, only masking the severity of China’s problems and minimizing pressures for reform. He states, “although businesspeople and scholars often blame bad policies for economic inefficiency and poor performance, bad institutions are equally capable of destroying economic incentives and creating inefficiency and waste.”⁵⁸ This corruption is fueled by the inability of the Chinese Communist Party to control its own members. Beginning

⁵⁵ Robert S. Ross “China: Why Our Hardliner’s are Wrong” *The Future of American Foreign Policy*, Eugene R. Wittkopf and Christopher M. Jones, ed. (New York: St. Martin’s, 1999) 210-211.

⁵⁶ Minxin Pei, “A Turning Point in Beijing: With Jiang Gone, China Can Rebalance,” *International Herald Tribune*, September 21, 2004.

⁵⁷ Hoge, “A Global Power Shift in the Making” 3, Minxin Pei, “China’s Governance Crisis” *Foreign Affairs*, Sept/Oct 2002, 4.

⁵⁸ Minxin Pei, “Asia’s Political Lessons” *China Business Review*, Sept/Oct 1999, 1.

with Deng, who used special economic incentives to gain support for his reforms, party leaders have inappropriately used state funds and looted public assets to benefit themselves or their friends.⁵⁹” The effect of the corruption is enhanced by the leadership’s half-hearted attempts at political reforms, including administrative decentralization from high level organizations to low level organizations, allowing newly empowered bureaucrats the opportunity to benefit from these corrupt policies and the political top-cover to protect their interests.⁶⁰

Finally, another aspect of the booming Chinese economy that may impact the future of the country is the increasing number of entrepreneurs and technocrats in the CCP. As stated earlier, Jiang made a controversial decision when he single-handedly promoted the inclusion of private businessmen into the Party. Additionally, the structure of the party itself is becoming more technocratic than the previous years. How could this impact the future of the communism in China? According to Bruce Dickson of George Washington University’s Elliot School of International Affairs, “though newly co-opted technocrats and entrepreneurs are not likely to initiate pressures for democratizing reforms, they may be powerful allies if others inside and outside the party do so.”⁶¹

Pressures from Below—Impact on Society

“A free society and a republican nation demand only that the individual have the power of free choice and that he bare the responsibility for his own conduct and actions. If this is not the case, then he does not possess the ability to create his own independent character...such a society has absolutely no hope of improvement or progress.”⁶² Liang Qichao (1899)

⁵⁹ Minxin Pei, “Dangerous Denials,” *Foreign Policy*, January/February 2005, 58.

⁶⁰ Wei-Wei Zhang. *Transforming China*, (New York: St. Martin’s Press, 2000), 134.

⁶¹ Dickson, 115.

⁶² Orville Schell, “China’s Hidden Democratic Legacy,” *Foreign Affairs*, July/August 2004, 118.

Throughout Communist China's history, any attempts to democratize have met with a quick and sometimes violent demise. China's leadership has, thus far, successfully orchestrated an amazing economic transformation without the normally accompanying political reform. Few experts believe the Chinese leadership can continue to ignore increasing societal pressures for more political participation, but there is no consensus on how or when these reforms will take place. As one scholar writes, if China expects to become a more stable, cosmopolitan and global country, it needs a "clearer sense of its ultimate political destination."⁶³

Today Chinese politics still contains many of the institutions created by Lenin in 1817, such as the Politburo and a Central Committee. However, as the fall of the Soviet Union demonstrated, democratization is really only one element of political reform that needs to occur in China and that cannot be accomplished until basic institutions are strengthened and restructured.⁶⁴ Additionally the world might not want to see a quick change in the political structure of China, as the continued existence of the Chinese Communist Party may be the central reason the Asian continent has remained relatively stable since the end of the Vietnam War. Few moves have been made on the Asian continent without a serious consideration as to how China would react. The United States, for example, has considered intervention on the Korean peninsula many times. However, the peninsula has remained stable, possibly due to the uncertain reaction an intervention may cause in Beijing.

China's leaders have been very cautious in their approach to political reform, and probably rightly so, as rapid political change wrought havoc on other former communist

⁶³ Schell, 116.

⁶⁴ Pei, "Is China Democratizing?" 69.

nations. When Deng initiated his series of economic reforms in 1978 he emphasized the need to be cautious, using the phrase "crossing the river by feeling the stepping stones."⁶⁵ One reason for this caution was Deng's realization that China did not have the institutional structure to support radical political change. One of the main arguments against rapid democratization was the fact that China was (and is) still extremely underdeveloped. Today 70 percent of China's 1.3 billion people live in rural areas and 145 million of those are illiterate. This situation impedes democratic development because a majority of the citizenry are unable to make an informed decision in public debates and elections.⁶⁶ Despite the party's reluctance to further political participation, it has made strides to fix some problems within its own system. Specifically, the internal Party organization has been restructured to include the mandatory retirement of party officials as well as the use of term limits.⁶⁷ Additionally, legal reforms have installed a sense of personal rights regarding property and individual freedoms. Although these reforms may not seem substantial when compared with democratic political systems, these small steps have made large gains in Chinese political culture.

Hu is expected to continue many of the internal reforms began by his predecessors. One of the major challenges facing the new president is his ability to reign in the ambitions of his fellow party members. The party's more orthodox members have been following a historical precedent set by Mao when he stated he was "unrestrained by law or heaven."⁶⁸ Hu attempted to break that precedent in a December 2004 speech when he reiterated that the 1982 constitution was written to promote socialist democracy, law

⁶⁵ Wei-Wei, 7.

⁶⁶ Bruce Gilley, *China's Democratic Future: How It Will Happen and Where It Will Lead*. (New York: Columbia University Press, 2004), 12.

⁶⁷ Pei, "Is China Democratizing" 70.

⁶⁸ Fewsmith, "Chinese Politics Under Hu Jintao," 16.

and human rights and emphasized that the Party must operate within the confines of this law. Additionally, Hu has a strong connection with China's peasants due to his previous service in Gansu and Tibet. When Hu and other members of the fourth generation graduated from college, many of them were sent to work in the poorest areas of China. During this time, they came to realize the impact of harsh and ideologically driven policies on the peasantry and the need to include the peasants in China's future.⁶⁹ As democratic practices are taking hold in the countryside (village leaders are elected by villagers in many inland provinces) Hu's connection with the peasantry may become an essential element in his presidency. As one Chinese scholar wrote, "Village democracy is a great starting point for the whole democratization process in China."⁷⁰

Despite Hu's seemingly increased connection with reform ideas not all of his policies have been progressive. Stability seems to override the impact of any societal pressures for freedom of speech or press. Specifically, the party is attempting to gain a tighter control on Internet access. Dissident groups, like the Falungong, have used the Internet to spread anti-government publications and recruit new members. Party authorities have gone so far as to block Internet search engines like Altavista and Google completely.⁷¹ Additionally, the Party continues to enforce tough laws on "illegal organizations," which consequently outlaws most forms of public protest. The main reason for the Party's success in this area is the manner that the neighborhoods and work areas are divided, in small and unconnected units with little contact with potential sympathizers from other units.⁷² However, technical advances like the Internet and

⁶⁹ Fewsmith, "Generational Transition in China," 26.

⁷⁰ Gilley, 90.

⁷¹ Dali L. Yang, "China in 2002," *Asian Survey*, January/February, 2003, 30.

⁷² Murray Scott Tanner, "China Rethinks Unrest," *The Washington Quarterly*, Summer 2004, 142.

mobile phones are beginning to impede the Party's ability continue this "divide and conquer" technique.

As history has shown in countries like the Soviet Union, political reforms are not only going to be initiated from above. There are significant movements within society to create more open and participatory government. After a slow recovery from the Tiananmen Square massacre in 1989, student groups, labor unions, and other non-government organizations are re-emerging to publicly challenge China's one party rule. Non-political groups, like those advocating women's rights, environmental protection, charities, and folk culture, have also increased dramatically. This trend towards civil society is one that is commonly found during the transition phase from an authoritarian to democratic government.⁷³ The CCP is very aware of this trend and, as a result, government repression of many civil groups is very strict. As recently as 1998, the CCP passed new laws to crack down on groups that were "politically problematic, seriously interfering with social and economic order, or illegal."⁷⁴ The Falungong received world-wide attention from this crackdown. Although these laws reduced the number of civic groups present in China by 20 percent, many scholars believe the foundation for a strong civil society is being built in China, creating "favorable conditions for China's future democracy."⁷⁵ Regardless of the advances in civic participation, the Party is still very much in control in China and democratization will be put on hold until more significant internal changes occur.

Recognizing the differences between Western culture and Chinese culture is a key to understanding the difficulties faced by China during its political reform. Confucian

⁷³ Hough, 143.

⁷⁴ Gilley, 75.

⁷⁵ Gilley, 75.

ideology and Chinese nationalism will play a significant role in the development of democracy in China. Many critics of China's political system insist that more pressure needs to be put on China to force a political change. However, outside interference in this process such as the use of sanctions or reprimands will only delay China's progress. The real force for political change will be internal. Chinese leaders fear a Soviet-style collapse if they embark on a path of quick democratization without the reinvigoration of current constitutional institutions.⁷⁶ President Hu and the rest of the political leadership in China recognize the need to reform because reform is the only way to increase China's influence in the international community. The West should accept this and work to expand the systematic changes ongoing in China through assistance programs aimed at encouraging political reform, such as legal training and help in combating bribery and corruption. Historically, the Chinese have followed a Confucian model of central authority and insularity. Making a sudden change to disrupt this rich culture could cause excessive friction within the government itself and between the government and the people.

Military and Foreign Policy Impact

*The persistent historical fact is that the Chinese state has always derived its ultimate power from the army, and this has largely predetermined its authoritarian character.*⁷⁷ (Ping-ti Ho)

The final area of interest addressed in this paper is the impact that the new leadership may have on the Chinese military establishment and the overall ability of Hu Jintao to conduct foreign policy. The Chinese military has long been viewed as a dominant player in China's internal political system as well as a significant factor in

⁷⁶ Pei, "Is China Democratizing" 79.

⁷⁷ William W. Whitson. *The Chinese High Command: A History of Communist Military Politics, 1927-71* (New York: Praeger, 1973), xiii.

China's relationship with the outside world. Historically, China's leaders were developed in the ranks of the People's Liberation Army (PLA) and their experiences in the revolution fostered strong bonds and loyalties within the Chinese Communist Party. The PLA, headed by Mao Zedong, was the primary organization of the Communist revolution, and the subsequent political leadership of the People's Republic of China was composed primarily of Mao's fellow military leaders. Shortly after the Communist's victory in the Civil War, the PLA was the only legitimate organization present in China. As a result, former military commanders were called upon to establish the local and regional governance structures throughout the country. Both Mao and Deng did not hesitate to use military resources to secure their power domestically. Military involvement in the Cultural Revolution and the Tiananmen Square Massacre showed the outside world that the military establishment was committed to the goals of the Communist Party. However, in the 15 years since Tiananmen Square, fundamental changes have occurred in the make-up of the Party leadership. Many leading figures, including the new president, have no military experience whatsoever. This leads many scholars to keep a close watch on how the military is reacting to the internal reforms in China, and whether or not the military is loyal to the ideology of Mao Zedong or, instead, to the goals of the new Communist leadership.

Military Modernization

Consistent with the military policies of other large nations in a balance of power framework, China's leaders view its military as its basis of power and influence in the international political system. The foreign policy objectives of the CCP, according to Ellis Joffe, are to "confidently deter, or defeat, American intervention in a war with

Taiwan; to effectively challenge U.S. military presence in the Pacific; and, over the long haul, to acquire a military posture that will underpin recognition of China as a great power."⁷⁸ In order to meet these objectives, the Communist Party must be committed to a military modernization program. However, that will reduce the amount of resources it can allocate to its number one priority of economic transformation. The interaction between these two forces, domestic economic reform and military modernization, will be dependent on Hu's ability to manage the disparate ambitions of his fellow party members. Additionally, Hu must be able to assert his authority over the military and ensure other party members that he has a plan to deal with possible future domestic unrest.

First, it is important to understand the intentions of the military. Historically, the PLA has been a natural extension of the Communist political arm. They were often called upon to quell domestic disturbances and further the ideological policies of the party. Adherence to the communist doctrine and loyalty to the party was ingrained in the leadership of the PLA. In 1989, Deng demonstrated to the world that the Chinese government was not afraid to use the military in order to save the party from its political rivals. Today however, because the current leadership does not have the same personal connection to the military, it is not certain that the military would step in if the same type of situation arose.⁷⁹ The PLA has managed to regain the respect of the Chinese populace and any attempt by the leadership to reverse the political and economic reforms may not be supported by the military. In a speech to the National People's Congress, the Vice President of the Chinese Military Commission affirmed that the focus of the PLA was

⁷⁸ Ellis Joffe, "The Future of PLA Modernization Bumps and Boosters," *Civil-Military Change in China*, Andrew Scobell and Larry Wortzel eds. (Washington DC: The Heritage Foundation Press, 2004) 365.

⁷⁹ Starr, 106.

"on loyalty to the party and modernization rather than ideology."⁸⁰ This being said, if the leadership deviates from what the party loyalists in the military believe to be right, an internal crisis may arise. However, chances of that occurring decreased when Hu finally took over control of the Central Military Committee. Nonetheless, recently it became clear that the current leadership fears an outbreak in public protest, when reformist leader Zhao Ziyang died on January 17, 2005. He was the popular Chinese premier during the outbreak of the Tiananmen Square protests in 1989, and argued against the use of the military to solve the situation. As a result, Zhao was put under house arrest and not seen in public again.⁸¹ His death was kept a secret in China for fear that it may spark new protests in Beijing. If a significant political protest or civil unrest occurs that the government cannot control, the intentions of the military will become extremely important.

Foreign Policy Issues

Additionally, the intentions of the Hu administration in regard to China's lingering international security questions should also be closely examined. Between the mid-1990's and into 2000, China's foreign policy posture regarding issues such as Taiwanese independence and oil claims in the South China Sea bordered on belligerent. For example, in 1996, China demonstrated its military might in the Taiwan Strait in response to the first democratic presidential elections in Taiwan and repeatedly threatened its neighbor that it intends to use force to prevent a move for independence.⁸² As a result,

⁸⁰ James C. Mulvenon, "Party-Army Relations Since the 16th Party Congress: The Battle of the 'Two Centers?'" *Civil-Military Change in China*, Andrew Scobell and Larry Wortzel eds. (Washington DC: The Heritage Foundation Press, 2004) 20.

⁸¹ BBC News, "Chinese Reformer Zhao Ziyang Dies," <http://news.bbc.co.uk/go/pr/fr/-/hi/world/asia-pacific/4177135.stm>. January 17, 2005.

⁸² Joseph Greico, "China and America in the New World Polity," Caryolyn Pumphrey, ed., *The Rise of China in Asia: Security Implications* (Carlisle: Strategic Studies Institute, Jan 2002) 10.

questions began to emerge regarding the increasing strength of China's military establishment and her leader's propensity to use it. During this period, China committed a significant percentage of its GDP (more than 15%) to increasing military modernization and technology enhancements.⁸³ Regardless of the international demonstrations and tough rhetoric, China did not engage its neighbors in a confrontation. Bates Gill, a senior analyst at the Center for Strategic and International Studies, addressed this absence of action during a Congressional hearing before the U.S-China Economic and Security Review Commission, stating, "China's strategy was less a reflection of its strength than its self-perceived weakness and frustration with an increasingly troubled global and regional security environment."⁸⁴ China remains frustrated with its situation in the area today. The continued independence of Taiwan and numerous territorial issues are a black eye for Chinese foreign policy.

Taiwan and territories in the South China Sea are a constant source of tension for China. Jiang Zemin issued a White Paper in February 2000 that stated China would not wait forever for an agreement on Chinese/Taiwan reunification.⁸⁵ However, that statement does not seem to have been meant literally. In March 2003, newly elected president Hu Jintao delivered a speech to a Taiwan delegation stating that the official Chinese position was to work for a peaceful reunification and advocated increasing

⁸³ Myra S. McKittrick, *The Chinese Military: An Emerging Maritime Challenge* (Arlington, VA: Lexington Insitute, 2004), 44.

⁸⁴ "China's Growth as a Regional Economic Power: Impacts and Implications" December 4, 2003, 108th Congress, Government Printing Office, Washington DC.

⁸⁵ Michael R Chambers, "Rising China: A Threat to Its Neighbors?" Caryolyn Pumphrey, ed., *The Rise of China in Asia: Security Implications* (Carlisle: Strategic Studies Institute, Jan 2002) 76.

communication and links across the strait. At no point in his speech did Hu indicate "desperation or a belief that time was on the side of unification."⁸⁶

China's claims over the Spratly Islands in the South China Sea is a source of great concern for many countries in Southwest Asia, including the Philippines, Indonesia, and Vietnam. The suspected presence of oil and other natural resources in this area is sure to prompt future conflict if this issue cannot be resolved. Because of China's modernizing economy and social structure, oil demand in the country has increased significantly. Currently, China receives a majority of its oil imports from the Middle East. In an effort to protect this vital lifeline, China is seeking to bolster its presence in the South China Sea and protect its sea lines of communication between the Middle East and its mainland. A report created by Booz Allen Hamilton outlines China's current activity in the region to include the development of Naval bases in Burma, the possible construction of a canal in Thailand that would allow ships to bypass the Straits of Malacca, and the construction of a container port facility in Bangladesh.⁸⁷ By strategically positioning these points of influence, China can more effectively monitor and control its import and export shipping flow. However, skeptics warn this increased activity may be a military move by China to create "choke points" in the sea routes between the Middle East and the South China Sea. The report states that "China is looking not only to build a blue water Navy to control the sea lanes, but also to develop undersea mines and missile capabilities to deter the

⁸⁶ Murray Scott Tanner, "Hu Jintao as China's Emerging National Security Leader," *Civil-Military Change in China*, Andrew Scobell and Larry Wortzel eds. (Washington DC: The Heritage Foundation Press, 2004) 57.

⁸⁷ Bill Gertz, "China Builds Up Strategic Sea Lanes" *The Washington Times*, www.washingtontimes.com/functions/print.php?StoryID=20050117-115550-1929r, January 18, 2005.

potential disruption of its energy supplies from potential threats, including the U.S Navy especially in the case of a conflict with Taiwan."⁸⁸

Just as the Cold War was filled with speculation on Soviet and Chinese military intentions, today there are plenty of theories and predictions regarding the reasons for Chinese military build-up. Some experts believe that China is indeed our next big threat, stating that there is no other reason for China's increasing military presence in the South China Sea and Indian Ocean except to threaten the security of the region and the United States. These *realpolitik* experts advocate increasing the military strength of the United States for a future engagement with China. However, the United States possesses significantly more foreign based military establishments than China and has engaged in many of the same security building techniques as those going on in China to protect its own interests. President Hu's statement regarding the issue of the China sea addressed only his intention to secure Chinese economic interests in the area, stating that China faces a "Malacca Dilemma" since 80 percent of China's oil supply travels through this unstable strait, which is subject to piracy and terrorism. Realistically, it appears as though China is taking steps to secure its own interests.⁸⁹ Whether or not this is a mask for military expeditions is yet to be seen, but it is premature for the United States or others to condemn the actions of a sovereign nation seeking to protect itself. If history has set a precedent for China's intentions it is unlikely the country will become expansionary. Traditionally China has been "the self-sufficient, self-contained 'Middle Kingdom,' which had neither the need nor interest in foreign conquests."⁹⁰

⁸⁸ Gertz

⁸⁹ Gertz.

⁹⁰ Nixon, 147.

CONCLUSION

Reform in China is well underway, both economically and politically. Obviously economic progress is far outpacing political progress, but both are proceeding in a manner that has allowed the Chinese leadership to maintain order in the country while increasing China's place among great power nations. Critics argue that allowing China to increase its power and influence is a dangerous road, especially since the country engages in anti-democratic policies, nuclear proliferation, and blatant human rights abuses. Those critics are convinced that authoritarian regimes are inherently expansionary and therefore, a strategic threat to the security of the international community. But if this controversy is explored further it is clear that the strategic issues these critics are concerned about, namely, nuclear technology transfer to Pakistan and territorial issues in Taiwan, Hong Kong, and the South China Sea are well within the spectrum of Chinese internal national interest (vice expansionary interests). As President Nixon claimed in 1971 in his annual foreign policy report, "We cannot accept the notion that Communist China must exercise hegemony over Asia...but neither do we wish to impose on China an international position that denies its legitimate national interests."⁹¹

China is no longer "communist" in the traditional Cold War sense. Communism, as an ideology, has run its course in political history. Its inherently fatal flaws, such as crippling inefficiency, vilification of entrepreneurs, and destruction of individual ambition, was the main factor in the downfall of the other communist countries in Europe and Asia. China recognized this trend early on and its leaders have worked very hard to correct the mistakes of the past. Today, China has modernized and reformed to the point that it is fast approaching great power status. Politically, there are areas that China needs

⁹¹ Henry Kissinger, *Diplomacy* (New York: Simon and Schuster, 1994), 724.

to address, including corruption, rule of law, and human rights, and it appears that China's new leadership is trying to address those issues in its own way. Although on the surface, the method used by the Chinese leadership to prevent chaos may look brutal or inhumane, Chinese history and culture is filled with heavy handed tactics that appears to have been effective in this unique cultural context. This does not give China a free-hand to commit human rights abuses, but critics should try and understand the history of a nation before condemning its actions. The international community should not fear China's ascension to great power status, but instead it should look to China as an ally that can help stabilize a troubled region and encourage cooperation between historically adversarial countries.

Within China's own foreign policy arena, Taiwan, Hong Kong and areas of the South China Sea are historical territorial issues that a pragmatic China will not allow to escalate into international conflict. Diplomatically the international community should remain engaged in those areas, but more as an arbiter than an active stakeholder. On the issue of nuclear technology transfer to Pakistan, the United States is in no position to condemn the actions of China, as the U.S. has done exactly the same thing with respect to Israel. As Robert S. Ross, executive member of the John King Fairbank Center for East Asian Studies claims, "Washington and Beijing both prefer that their respective allies be able to deter attacks from more powerful adversaries on their own."⁹²

Economically, China has been given an opportunity to mobilize its industrial base and is well on its way to developing a strong capitalist economy. While the Western political expectations are slow to evolve, strong moves have been made towards increased participation and the rule of law. Risking an international confrontation would

⁹² Ross, "China: Why Our Hardliner's are Wrong" 207.

impede China's goals for economic modernization and increase regional instability. Realistically, China is not a strategic threat to its neighbors, but it is also not content with its current security position in Asia. Prospects for conflict grow more significant as the Chinese economy demands more scarce resources from foreign markets. It is vital that communications between China and its competitors remain free and open so that disagreements can be handled in a fair and benign manner. The United States should take the lead and increase its dialog with China. As the leader of the capitalist economic system, the United States can set the stage for more economic access to China, thereby increasing China's dependence on friendly relations with the U.S and the rest of the international community.

The current leadership of the Chinese Communist Party is the most important factor in determining the future of the country. As is true in any dictatorship, the whims of those few leaders at the top will cause massive implications for the billions of citizens under their control. It is futile to sit back and criticize the existence of the Chinese communist regime, as it has proved its staying power is far greater than most powerful nations before it. Instead, the international community needs to engage this leadership, improve relations and ultimately prevent it from turning inward or aggressive. They must recognize the issues facing China without allowing the historical prejudices towards communist doctrine to interfere with current real practices ongoing in China. Although it is not a perfect country in any way, the world will be better off letting the Chinese decide how to transform their government than if the Western world forces change upon them. It is essential that the United States and the international community develop strong relationships with China's leadership and understand the deep cultural and historical

roots of the nation. As Richard Nixon wrote, “Great nations act on the basis of interest, not sentiment, but good personal relationships can do a great deal toward making differences manageable and ties stronger.”⁹³

⁹³ Nixon, 139.

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